

Template for notifying national macroprudential measures not covered by CRR/CRD

Please send this template to

- notifications@esrb.europa.eu when notifying the ESRB;
- macropru.notifications@ecb.europa.eu when notifying the ECB.

Emailing this template to the above-mentioned addresses constitutes an official notification, no further official letter is required. In order to facilitate the work of the notified authorities, please send the notification template in a format that allows electronically copying the information.

1. Notifying national authority and scope of the notification		
1.1	Name of the notifying authority.	Norges Bank
1.2	Name of the macroprudential measure that is notified.	Regulation on requirements for new residential mortgage loans
2. Description of the measure		
2.1	Description of the measure.	<p>The Regulation renews a previous regulation that expires on 30/06/2018. It contains:</p> <ul style="list-style-type: none"> • a stress test / sensitivity test (when assessing a borrower's debt-servicing ability, the lender needs to make allowance for an interest rate increase of 5 percentage points), • a loan-to-income requirement (total debt may not exceed five times gross annual income), • a loan-to-value requirement (LTV is capped at 60% for secondary homes in Oslo, otherwise at 85%, additional collateral is accepted), • a loan amortisation requirement (residential mortgage loans with an LTV greater than 60% need to be amortised at a rate of 2,5% per annum or equivalent to an annuity loan with a 30 year repayment period), and • a "speed limit" (10% of the mortgage volume per quarter is allowed not to meet the regulatory requirements, the limit is 8% for mortgages in Oslo.)

2.2	Legal basis and process of implementation of the measure.	National law.
2.3	Coverage	Financial firms that issue mortgages in Norway, including Norwegian branches of foreign banks.
2.4	Any other relevant information.	
3. Timing		
3.1	Timing of the decision	19 June 2018
3.2	Timing of the publication	19 June 2018
3.3	Disclosure	Published by the Ministry of Finance: https://www.regjeringen.no/en/aktuelt/new-regulation-on-requirements-for-residential-mortgage-loans/id2604844/ .
3.4	Timing of the application	1 July 2018
3.5	End date (if applicable)	31 December 2019
4. Reason for the activation of the measure		

4.1	Description of the macroprudential risk to be addressed.	Credit growth and leverage.
4.2	Description of the indicators on the basis of which the measure is activated.	Household debt, house price inflation and Finanstilsynet's residential mortgage lending survey
4.3	Effects of the measure.	The results of Finanstilsynet's residential mortgage lending survey for 2017 and Norges Bank's bank lending survey indicate that banks' credit standards have been more stringent since the regulation on new residential mortgage loans was tightened in 2017. See also https://www.norges-bank.no/en/Published/Papers/Economic-commentaries/2018/12018/
5. Cross-border and cross-sector impact of the measure		
5.1	Assessment of cross-border effects and the likely impact on the internal market (Article 133(11)(d) of the CRD IV and Recommendation ESRB/2015/2)	The regulation applies for new mortgages given by both Norwegian banks and Norwegian branches of foreign banks. Effects on banks' overall portfolio composition are expected to be small.
5.2	Assessment of leakages and regulatory arbitrage within the notifying Member State	See 5.1

5.3	Request for reciprocation	According to national law the regulation applies for new mortgages given by both Norwegian banks and Norwegian branches of foreign banks. Thus, no need for a reciprocation request
6. Miscellaneous		
6.1	Contact person(s) at notifying authority.	Lisa Reiakvam Lisa.Reiakvam@Norges-Bank.no +4722316892.
6.2	Any other relevant information.	